



Ref:Sec/Sto/2019/01-04

Corporate Relationship Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai – 400001

January 31, 2019

Dear Sirs,

Subject: **Outcome of Board Meeting of Kennametal India Limited, Scrip Code: 505890**  
Disclosure under Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please refer to our letter No. **Ref:Sec/Sto/2019/01/01** dated January 16, 2019, informing you of the Board Meeting of the Company convened on January 31, 2019, to consider, *inter alia*, the unaudited financial results for the second quarter and half year ended December 31, 2018.

This is to inform you that at the meeting of the Board of Directors held today (January 31, 2019), the Board, *inter alia*, has-

- a) based on the recommendations of the Audit Committee, approved the un-audited financial results of the Company for the second quarter and half year ended December 31, 2018. The said results, in the prescribed format, are attached herewith.
- b) Approved the expansion of its manufacturing facilities which will expand the production capacity of Hard Metal Products and Hard Metal. The expansion activity will be spread over a period of 4 years.

The Meeting commenced at 2.00 PM and concluded at 5.30 PM.

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,  
for Kennametal India Limited

A handwritten signature in blue ink, appearing to read 'Naveen Chandra P', is written over a circular purple stamp. The stamp contains the text 'KENNAMETAL INDIA LIMITED' around the perimeter and '73' in the center.

**Naveen Chandra P**  
**GM – Legal & Company Secretary**

Encl: As above

# Walker Chandiook & Co LLP

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## Independent Auditor's Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Board of Directors of Kennametal India Limited

1. We have reviewed the accompanying statement of unaudited financial results ('Statement') of Kennametal India Limited ('the Company') for the quarter ended 31 December 2018 and the year to date results for the period 1 July 2018 to 31 December 2018 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

*Vijay Vikram Singh*

Vijay Vikram Singh

Partner

Membership No. 059139

Bengaluru

31 January 2019



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



## Kennametal India Limited

CIN: L27109KA1964PLC001546  
 Regd Office : 8/9th Mile, Tumkur Road, Bangalore - 560 073  
 Website: www.kennametal.com/hi/about-us/hi-financials.html, Email: in.investorrelation@kennametal.com  
 Tel: +91 080 28394321, Fax: +91 080 28397572

### Statement of unaudited financial results for the quarter and six months ended December 31, 2018

Sl. No.	Particulars	(All amounts in ₹ millions unless otherwise stated)					
		Quarter ended			Six months ended		
		December 31, 2018 (Unaudited)	September 30, 2018 (Unaudited)	December 31, 2017 (Unaudited)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)	Year ended June 30, 2018 (Audited)
<b>I</b>	<b>INCOME</b>						
	Revenue from operations (Refer Note 3)	2,337	2,268	1,866	4,605	3,678	7,931
	Other income	29	14	23	43	42	84
	<b>Total income</b>	<b>2,366</b>	<b>2,282</b>	<b>1,889</b>	<b>4,648</b>	<b>3,720</b>	<b>8,015</b>
<b>II</b>	<b>EXPENSES</b>						
	Cost of materials consumed	801	820	575	1,621	1,010	2,384
	Purchase of stock-in-trade	549	540	496	1,089	1,018	2,072
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(142)	(236)	(84)	(378)	(65)	(272)
	Employee benefits expense	326	311	314	637	613	1,227
	Depreciation and amortisation expense	68	72	74	140	146	281
	Finance costs	1	-	-	1	-	-
	Other expenses	416	406	366	822	702	1,516
	<b>Total expenses</b>	<b>2,019</b>	<b>1,913</b>	<b>1,741</b>	<b>3,932</b>	<b>3,424</b>	<b>7,208</b>
<b>III</b>	<b>Profit before exceptional items and tax (I-II)</b>	<b>347</b>	<b>369</b>	<b>148</b>	<b>716</b>	<b>296</b>	<b>807</b>
<b>IV</b>	Exceptional items (refer note 4)	-	-	(47)	-	(47)	(77)
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>347</b>	<b>369</b>	<b>101</b>	<b>716</b>	<b>249</b>	<b>730</b>
<b>VI</b>	<b>Tax expense</b>						
	Current tax	95	114	18	209	70	204
	Tax adjustments relating to earlier years	(115)	-	-	(115)	-	(46)
	Deferred tax charge	60	11	20	71	17	49
	<b>Total tax expense</b>	<b>40</b>	<b>125</b>	<b>38</b>	<b>165</b>	<b>87</b>	<b>207</b>
<b>VII</b>	<b>Net profit for the period/year (V-VI)</b>	<b>307</b>	<b>244</b>	<b>63</b>	<b>551</b>	<b>162</b>	<b>523</b>
<b>VIII</b>	<b>Other comprehensive income, net of income tax</b>						
	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(32)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	11
	(ii) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Total other comprehensive income, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21)</b>
<b>IX</b>	<b>Total comprehensive income for the period/year (VII+VIII)</b>	<b>307</b>	<b>244</b>	<b>63</b>	<b>551</b>	<b>162</b>	<b>502</b>
<b>X</b>	<b>Paid-up of equity share capital</b> (Face Value of ₹ 10 per share)	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>
<b>XI</b>	<b>Earnings per share</b> [Face Value of ₹ 10 per share (not annualised)]						
	- Basic (₹)	13.97	11.10	2.84	25.07	7.39	23.98
	- Diluted (₹)	13.97	11.10	2.84	25.07	7.39	23.78





## Kennametal India Limited

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Reporting of segment wise revenue, results, segment assets and liabilities

(All amounts in ₹ millions unless otherwise stated)

SI. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2018 (Unaudited)	September 30, 2018 (Unaudited)	December 31, 2017 (Unaudited)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)	June 30, 2018 (Audited)
1	<b>Segment Revenue</b>						
	Revenue from operations (Refer Note 3)						
	Machining solutions	288	304	248	592	459	1,222
	Hard metal and hard metal products	2,049	1,964	1,618	4,013	3,219	6,709
	<b>Revenue from operations</b>	<b>2,337</b>	<b>2,268</b>	<b>1,866</b>	<b>4,605</b>	<b>3,678</b>	<b>7,931</b>
2	<b>Segment Results</b>						
	Machining Solutions	57	59	24	116	16	125
	Hard metal and hard metal products	353	377	200	730	427	920
	<b>Total</b>	<b>410</b>	<b>436</b>	<b>224</b>	<b>846</b>	<b>443</b>	<b>1,045</b>
	Add / (Less) :						
	Other unallocable income	11	9	2	20	8	64
	Other unallocable expenditure	(74)	(76)	(78)	(150)	(155)	(302)
Exceptional items	-	-	(47)	-	(47)	(77)	
<b>Total profit before tax</b>	<b>347</b>	<b>369</b>	<b>101</b>	<b>716</b>	<b>249</b>	<b>730</b>	
3	<b>Segment Assets</b>						
	Machining solutions	892	731	486	892	486	629
	Hard metal and hard metal products	4,829	4,519	3,733	4,829	3,733	4,079
	Other unallocable assets	1,110	1,054	1,294	1,110	1,294	1,505
	<b>Total assets</b>	<b>6,831</b>	<b>6,304</b>	<b>5,513</b>	<b>6,831</b>	<b>5,513</b>	<b>6,213</b>
4	<b>Segment Liabilities</b>						
	Machining solutions	528	443	283	528	283	477
	Hard metal and hard metal products	1,212	1,050	1,005	1,212	1,005	1,154
	Other unallocable liabilities	154	182	125	154	125	198
	<b>Total liabilities</b>	<b>1,894</b>	<b>1,675</b>	<b>1,413</b>	<b>1,894</b>	<b>1,413</b>	<b>1,829</b>





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Statement of assets and liabilities

(All amounts in ₹ millions unless otherwise stated)

Particulars	Unaudited As at December 31, 2018	Audited As at June 30, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,635	1,539
Capital work-in-progress	205	211
Investment properties	0	0
Intangible assets	1	1
Financial assets		
Investments	5	5
Loans	18	18
Other financial assets	0	0
Deferred tax assets (net)	-	69
Income tax assets (net)	430	251
Other non-current assets	229	137
<b>Total non-current assets</b>	<b>2,523</b>	<b>2,231</b>
<b>Current assets</b>		
Inventories	2,087	1,559
Financial assets		
Trade receivables	1,551	1,263
Cash and cash equivalents	499	945
Bank balances other than cash and cash equivalents	2	3
Loans	2	2
Other financial assets	9	10
Other current assets	158	200
<b>Total current assets</b>	<b>4,308</b>	<b>3,982</b>
<b>Total assets</b>	<b>6,831</b>	<b>6,213</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	220	220
Other equity	4,717	4,168
<b>Total equity</b>	<b>4,937</b>	<b>4,388</b>
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	100	-
Other financial liabilities	1	1
Provisions	58	52
Deferred tax liabilities (net)	2	-
<b>Total non-current liabilities</b>	<b>161</b>	<b>53</b>
<b>Current liabilities</b>		
Financial liabilities		
Trade payables	1,052	1,059
Other financial liabilities	177	269
Provisions	149	160
Other current liabilities	355	284
<b>Total current liabilities</b>	<b>1,733</b>	<b>1,772</b>
<b>Total equity and liabilities</b>	<b>6,831</b>	<b>6,213</b>





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**Notes to the unaudited financial results for the quarter and six months ended December 31, 2018**

- In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of unaudited financial results ("financial results") for the quarter and six months ended December 31, 2018 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 31, 2019. The Statutory Auditors have carried out limited review of the above financial results.
- These financial results have been prepared in accordance with the recognition and measurements principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016.
- As mandated by notification issued by Ministry of Corporate affairs (MCA) under Companies (Indian Accounting Standards) (Amendments) Rule 2018, effective July 01, 2018 the Company has adopted Ind AS 115 "Revenue from Contracts with Customers", using the modified retrospective approach. The provisions of the new standard require a recognition of revenue at transaction price net of variable consideration which were earlier accounted as an expense. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information is not restated in the statement of financial results for the current period. Based on the assessment done by the Company, there is no material impact on the financial results for the period.

4 Exceptional items debited to the statement of financial results comprises of :

(All amounts in ₹ millions unless otherwise stated)

Particulars	Quarter ended			Six months ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	June 30, 2018
The Company announced a voluntary retirement scheme (VRS) for its workmen. Several workmen opted for the VRS and the aggregate expenditure incurred in this regard has been fully charged to the statement of profit and loss in accordance with Ind AS - 19 "Employee Benefits".	-	-	-	-	-	30
The company also has a severance / separation scheme for certain employees and the aggregate compensation paid in accordance with the said scheme has been fully charged to the statement of profit and loss.	-	-	47	-	47	47

- The above financial results of the Company are available on the Company's website and also on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) where the shares of the Company are listed.
- During the quarter, the Company has set up a new wholly owned subsidiary Widia India Tooling Private Limited (WITPL), the operations of which are expected to start from the forthcoming quarter. WITPL is proposed to commence trading of hard metal and hard metal products under the brand "WIDIA". Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has availed the option not to submit the consolidated financial statements which has been intimated to BSE Limited vide letter dated January 24, 2019.

For and on behalf of the Board of Directors of  
Kennametal India Limited

Bhagya Chandra Rao  
Managing Director

Bengaluru  
January 31, 2019

